

TERMS USED IN FINANCIAL STATISTICAL REPORTS (FSRs)

Total Member Months - Number of members enrolled in each month. YTD is the sum of the individual month's membership.

Revenues:

- **Premiums** – Capitation payments paid to MCOs (Managed Care Organization) by HHSC.
- **Delivery Supplemental Payments** – A one-time per pregnancy supplemental payment made by HHSC to STAR, CHIP MCOs.
- **Pharmacy Premiums** - Pharmacy capitation payments paid to MCOs by HHSC
- **Investment Income** – All interest and dividend income resulting from investment of funds received.
- **Other Revenue** – Any and all income generated from other sources.
- **Premium Taxes** – Premium taxes incurred by MCOs for premiums applicable to the reported period.
- **Maintenance Taxes** – Maintenance taxes incurred by MCOs for premiums applicable to the reported period.

Medical Expenses:

- **Fee for Service** – Non-capitated payments for services rendered to the members.
- **Capitated Services** – Includes PCPs and Hospitals capitation payments which are amounts paid to providers that do not pay claims to other providers from the capitation payments and also the capitation paid to subcontractors in which the capitation is the funding source for paying claims for healthcare services performed in each Texas service area.
- **Net Reinsurance Cost** – Total reinsurance premiums paid by the MCO net of reinsurance recoveries.
- **IBNR Accrual** – Incurred But Not Reported (IBNR) accrual medical expenses are an estimate of the expected healthcare expenses incurred, but not paid, based on claims lag schedules and completion factors, as well as any counts of services rendered but not billed, e.g., pre-authorized hospital days.

Administrative Expenses – includes those expenses that are directly or indirectly in support of the Texas Medicaid/CHIP operations of the MCO. Administrative expenses include Salaries, Wages and other benefits, Payroll taxes, Utilities and Maintenance, Auditing and other consulting expenses etc.

Performance Assessment – Amount of at-risk premium recouped by HHSC for failure to meet the performance expectation for which the MCO is at risk.

Quality Challenge Award – Amount awarded to the MCO for superior clinical quality, service delivery, access to care or member satisfaction.

Liquidated Damages - Amount assessed by HHSC as penalty for non-compliance with contract requirements.

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name: Molina Healthcare	Program: CHIP
State Fiscal Year: 2016	Service Area: Harris / Houston
Submission Date: 6/30/2016	Rptg Period End Date: 5/31/2016
Submission Type: Quarterly	

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD
1 Member Months		1,931	1,926	1,886	1,916	1,859	1,868	1,918	1,725	1,618	0	0	0	16,647
2 Average Monthly Member Months														1,850
Revenues:														
3 Medical Premiums		505,065	502,303	484,474	504,450	507,509	511,936	535,599	451,651	400,408	0	0	0	4,403,395
4 Delivery Supplemental Payments		0	3,100	3,100	3,100	0	0	3,100	6,200	3,100	0	0	0	21,700
5 Pharmacy Premiums		60,669	60,349	58,879	60,054	58,640	58,932	60,753	54,072	50,312	0	0	0	522,660
6 Investment Income		384	406	404	558	656	728	857	889	797				5,679
7 Health Insurance Providers Fee Reimbursement		184,623												184,623
8 Other Revenue		0	0	0	0	0	0	0	0	0				0
9 Total Gross Revenues		750,741	566,158	546,857	568,162	566,805	571,596	600,309	512,812	454,617	0	0	0	5,138,057
10 Health Insurance Providers Fee & Related Costs		181,392												181,392
11 Premium Taxes		13,131	9,901	9,563	9,933	9,908	9,990	10,490	8,959	7,942				89,817
12 Maintenance Taxes		135	135	132	134	130	131	134	121	113				1,165
13 Net Revenues		556,083	556,123	537,162	558,095	556,767	561,475	589,684	503,733	446,562	0	0	0	4,865,683
Medical Expenses:														
14 Fee-For-Service		353,381	390,106	314,346	321,468	363,094	307,604	411,197	317,561	173,455	0	0	0	2,952,212
15 Capitated Services		0	0	0	0	0	0	0	0	0	0	0	0	0
16 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
17 Net Reinsurance Cost		139	139	139	136	116	116	116	114	115	0	0	0	1,130
18 IBNR Accrual - Medical		612	866	744	1,050	2,953	3,857	20,406	62,842	220,894	0	0	0	314,224
19 Total Medical Expenses		354,132	391,111	315,229	322,654	366,163	311,577	431,719	380,517	394,464	0	0	0	3,267,566
20 Prescription Expenses (excluding PBM Admin)		43,645	36,093	33,536	41,240	45,607	56,615	58,856	65,571	58,272	0	0	0	439,435
21 Total Medical and Prescription Expenses		397,777	427,204	348,765	363,894	411,770	368,192	490,575	446,088	452,736	0	0	0	3,707,001
22 Administrative Expenses		58,687	57,690	54,847	57,588	55,565	44,578	58,859	47,520	49,164				484,499
23 Total Expenses		456,465	484,893	403,612	421,482	467,335	412,771	549,433	493,608	501,901	0	0	0	4,191,500
24 Net Income Before Taxes		99,618	71,230	133,550	136,613	89,432	148,704	40,251	10,125	(55,339)	0	0	0	674,183
25 % Medical Exp to Net Revenues		63.7%	70.3%	58.7%	57.8%	65.8%	55.5%	73.2%	75.5%	88.3%	0.0%	0.0%	0.0%	67.2%
26 % Prescription Exp to Net Revenues		7.8%	6.5%	6.2%	7.4%	8.2%	10.1%	10.0%	13.0%	13.0%	0.0%	0.0%	0.0%	9.0%
27 % Total Medical and Prescription to Net Rev. (MLR)		71.5%	76.8%	64.9%	65.2%	74.0%	65.6%	83.2%	88.6%	101.4%	0.0%	0.0%	0.0%	76.2%
28 % Admin Exp to Net Revenues		10.6%	10.4%	10.2%	10.3%	10.0%	7.9%	10.0%	9.4%	11.0%	0.0%	0.0%	0.0%	10.0%
29 % Net Income to Net Revenues		17.9%	12.8%	24.9%	24.5%	16.1%	26.5%	6.8%	2.0%	-12.4%	0.0%	0.0%	0.0%	13.9%
30 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass-through)		11.8%	11.6%	11.5%	11.6%	11.2%	8.9%	11.1%	10.6%	12.4%	0.0%	0.0%	0.0%	11.2%
Post-income items:														
31 Performance Assessment														0

Note: Except where stated otherwise, reporting is on an incurred basis (that is, reported in the period corresponding to dates of service, rather than to date paid). All prior quarters' data must be updated to reflect the most recent revised IBNR estimates.